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	LAB-01	L-00	M-00	VCIE-00	NEA-00	NSAE-00	ISN-00
	OCS-00	OIC-00	OMB-00	NIMA-00	EPAU-00	PA-00	MCC-00
	PM-00	PRS-00	P-00	SGAC-00	SCT-00	ISNE-00	SP-00
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SUBJECT: MEDIA PLAY: NEW DELHI, December 6, 2005.

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: ARCHIE M BOLSTER
DATE/CASE ID: 27 FEB 2009 200706444

1. Media Reaction Report filed SEPTEL.

2. Begin summary: The controversy over the continuance of former External Affairs Minister Natwar Singh in the Union Cabinet despite his being named in the Volcker report as a beneficiary in the oil-for-food scandal dominated lead attention in most dailies and on television channels. Stories quoted party sources to state that Natwar Singh met Congress party chief Sonia Gandhi here Monday and said he would submit his resignation when Prime Minister Manmohan Singh returned Wednesday from his visit to Russia. Mainline dailies also highlighted reports from Moscow on Prime Minister Manmohan Singh's statements and deliberations with Russian leaders. Visiting the Russian capital for the sixth bilateral summit in as many years, Singh sought to give a push to energy cooperation between the two countries and engaged in some blunt hard sell about the opportunities India's young demographic profile afforded to an "ageing" Russia. Russian Defense Minister Sergei Ivanov said India is one of Russia's most privileged partners in military-technical cooperation and security. Mainline dailies and NDTV reported that U.S. Secretary of State Condoleezza Rice on Monday gave the United States' most detailed defense yet of its treatment of suspected terrorists, saying U.S. actions were lawful and suggesting that European nations cooperate with American intelligence agencies. Once a strong critic of Pakistan, National Conference leader Omar Abdullah said on Monday that he feels that it is that country rather than the GOI, which is more ready to consider autonomy for Jammu and Kashmir. Mainline dailies highlighted reports stating that INTEL Corporation will invest USD1 billion in India over a period of the next four to five years. Microsoft chief Bill Gates began his four-day India visit Tuesday with an early morning meeting in New Delhi with Communications and IT Minister Dayanidhi Maran. On his fo Gates, who is accompanied by wife Melinda, will be reviewing the progress of his USD200 million HIV/AIDS initiative in the country and also meet key Microsoft clients and senior officials. The Bill and Melinda Gates Foundation has announced a grant of USD24.3 million for preventing infant mortality in India. The Empowered group of Ministers (EGoM) headed by Defense Minister Pranab Mukherjee on Monday deferred its decision on awarding the contracts for the Delhi, Mumbai airport modernization project. Venezuela has offered crude oil to India at a discount, in exchange for technology transfers and investments by the latter in high-technology sec4ors including information technology. End summary.

--INDIA, RUSSIA TO JOINTLY DEVELOP MILITARY TRANSPORT AIRCRAFT

3. India and Russia Monday agreed to jointly develop and manufacture a multi-role transport aircraft that could be used by the militaries of both countries. Speaking after a meeting with visiting Indian Prime Minister Manmohan Singh IN Moscow, Russia's Defense Minister Sergei Ivanov Monday said his country would soon conclude an agreement with India for the joint development and production of the aircraft. "In principle, we have agreed upon this," said India's Foreign Secretary Shyam Saran. "The modalities have to be worked out. Of course it will be a co-production (agreement)." Ivanov described India as a "privileged partner" of Russia in key areas like defense cooperation. The transport aircraft to be developed under the new pact would be used by the militaries of both countries, he said.

Ivanov noted that India was the only country with which Russia had a long-term program for military-technical cooperation till 2010. An agreement on intellectual property rights for defense hardware to be signed Tuesday would pave the way for joint development of advanced weapon systems, he said. Prime Minister Singh, who is in Moscow to attend the annual India-Russia summit, and Ivanov reportedly discussed a range of defense and security issues. "India shares Russia's concerns on international terrorism and (its position) on combating the menace," Ivanov said.

4. Reports also quoted officials in Moscow as stating that India and Russia on Monday decided to explore acquisition of energy assets in third countries through joint ventures and equity participation. The broad decision was reached during a meeting between Prime Minister Singh and Russian Energy and Industry Minister Viktor Khristenko, ahead of his meeting with President Vladimir Putin Thursday. Briefing reporters after the meeting, External Affairs Ministry spokesman Navtej Sarna said the two sides felt the emphasis should be on commercial viability while prospecting in other countries. "The two sides felt that cooperation between Indian and Russian companies in third countries will be via joint ventures and equity participation," he said. The prime minister also expressed India's interest in acquiring a stake in Russia's Sakhalin-III exploration block. ONGC Videsh - the overseas arm of the Indian government's exploration major Oil and Natural Gas Corporation (ONGC) - has 20 percent stake in Sakhalin-I that was acquired for USD2.7 billion.

5. Sarna said since Khristenko is also the Russian industry

minister, the Prime Minister invited him to look at opportunities in India in aluminum and steel. "Power sector - both thermal and hydro-electric - was also identified by the Prime Minister as a potential area of interest for Russian companies," Sarna said. During the 30-minute meeting, the two sides also reviewed progress in talks on the Kudamkulam nuclear energy project, for which Russia has supplied two 1,000 MW reactors. "The prime minister also expressed India's willingness to consider additional reactors at Kudamkulam," Sarna said. He, however, did not specify the Russian response to the proposal for the nuclear energy project in Tamil Nadu in south India.

6. THE TIMES OF INDIA reported that Prime Minister Singh turned what has become a ritual statement against global terrorism into an exposition on a vital aspect of the war against terror. Firmly ranging India and Russia on the same side in this fight, he said: "Open societies such as our are threatened more than ever before by the rise of terrorism." Accepting a "professor honoris causa" from Moscow University, the PM said: "The very openness of our societies makes us more vulnerable and yet we must deal effectively with the threat without losing the openness we so value and cherish." In a clear signal to countries like Pakistan, which continue to play word games with terrorism and freedom fighters, the PM said democracies provide legitimate means for expressing dissent. "Terrorism exploits the freedom that our open societies provide to destroy our freedoms," he said.

--NATWAR MEETS SONIA, SAYS WILL QUIT ON PM'S RETURN

7. The controversy over the continuance of former External Affairs Minister Natwar Singh in the Union Cabinet despite

his being named in the Volcker report as a beneficiary in the oil-for-food scandal dominated lead attention in most dailies and on television channels. THE INDIAN EXPRESS lead story summed up the coverage while noting that the kicking and the screaming ended quietly on Monday night with K Natwar Singh calling up Prime Minister Manmohan Singh in Moscow to tell him he would turn in his papers to the PM on his return home on December 7. After this call, Natwar Singh then drove to 10, Janpath where he met party president Sonia Gandhi, who had already spoken her mind by dropping him from the party's steering committee on Sunday, and apprised her of his conversation with the Prime Minister. Their meeting lasted an hour.

8. The report noted that the coincidence couldn't have been

more appropriate: when the Volcker report named him and the party in its annexures, Natwar was in Moscow and when he finally decided to resign-after a month of defiance that sometimes bordered on the passionate, sometimes absurd-he had to dial Moscow. It was also, in a way, full circle for the Prime Minister-Sonia Gandhi combine. Ever since the controversy broke, both have been in step, even in the last stage when it was time to bring pressure on Natwar to resign. While the party was always to take a political view-it was the Congress spokesman who formally announced Natwar's decision Monday night-the PM was to proceed administratively, which meant looking at filling up the External Affairs Minister's post in the upcoming Cabinet expansion. So, it was not surprising that Sonia Gandhi spoke to the Prime Minister late Sunday night on the decision to remove Natwar from the Congress Steering Committee after Natwar aide Aneil Matherani's latest revelations.

9. The whole of Monday, Natwar refused to quit even after a blunt public message from his Cabinet colleague Kapil Sibal who met Sonia Gandhi and other senior Ministers. Sibal's message was the most direct: "Description of his (Natwar) stay in the steering committee, headed by Sonia Gandhi, as untenable is a clear message. There can be no clear(er) message...He (Natwar) will understand the circumstances under which the decision was taken and I'm sure he will take appropriate steps which he considers best in the interest of the party." With Natwar now agreeing to resign, the Prime Minister, sources pointed out, had been spared the trouble of dropping him from the Cabinet, a step that would not have been so simple. For, having termed the Volcker findings as "unverifiable" in the beginning, the government couldn't have made that the sole basis. More so, Volcker has also named the Congress party in his report. But the Prime Minister was also clear that he could not keep the External Affairs Ministry vacant for a long time. This logic was winning support and the PM indicated as much while flying to Moscow. His confirmation that he was planning to hold a Cabinet expansion after the current parliamentary session attached a timeframe of sorts, reports added.

--RICE DEFENDS U.S. TERROR POLICY

10. Several mainline dailies and leading television news channel NDTV reported that U.S. Secretary of State Condoleezza Rice on Monday gave the United States' most detailed defense yet of its treatment of suspected terrorists, saying U.S. actions were lawful and suggesting that European nations cooperate with American intelligence

agencies. But in remarks delivered at an Air Force Base

shortly before on a trip to Europe, she steadfastly refused to answer the underlying question of whether the United States had CIA-operated sec ret prisons there. "We cannot discuss information that would compromise the success of intelligence, law enforcement, and military operations. We expect other nations share this view," Rice said in a statement at Andrews Air Force Base. "No" to torture She said the U.S. "will use every lawful weapon to defeat these terrorists." She said the U.S. did not permit or tolerate torture under any circumstances. Reports of the existence of the secret prisons has caused a trans-Atlantic uproar. The European Union has asked the Bush administration about these reports. In Germany, a government spokesman, Ulrich Wilhelm, said his Government had a list of more than 400 over flights and landings by planes suspected of being used by the CIA. He told reporters, "We are hoping that all of the facts will be discussed" by Dr. Rice with Chancellor Angela Merkel.

--OMAR GAVE U.S. TEAM AUTONOMY PROPOSAL

11. Once a strong critic of Pakistan, National Conference (NC) leader Omar Abdullah on Monday said he feels that it is Islamabad rather than the GOI that is more ready to consider autonomy for Jammu and Kashmir. "Delhi is interested only in talking talk to those who speak of azadi (independence),'' Abdullah was quoted as saying in Jammu. "If people in Pakistan want to hear us out on autonomy why shouldn't we talk to them? No one in Delhi is willing to listen to us." The former federal minister of state for external affairs said, "If things go well I will visit Pakistan in January-February next year to meet the leadership." His father and NC patron, Farooq Abdullah, disclosed that the party had also submitted proposals on autonomy of the region to a U.S. delegation led by Congressman Dan Burton in Delhi recently. "The U.S. delegation told Omar that they would study the proposals and talk to Pakistan President Pervez Musharraf," said Farooq. Both the Abdullahs said their party was strongly in favor of including all the three regions of the state as well as the displaced Kashmiri Pandits (Hindus) in the talks on the Kashmir issue. As for autonomy for the state, Farooq wondered what had happened to the committee that was announced by Union Home Minister Shivraj Patil in January. "We had met Patil and he had announced the formation of a committee that would discuss the various aspects on autonomy," he said. He also demanded that the Indian government go public with what Pakistan has proposed about

self-governance. "People of the country should know this," said Farooq.

--INTEL TO PUMP USD1 BILLION INTO INDIA

12. Mainline dailies highlighted reports stating that INTEL Corporation will invest USD1 billion in India over a period of the next four to five years. The company will invest USD800 million into the research and development operations at the Bangalore facility in the next five years, while USD250 million will be infused into its venture capital arm to float the Intel Capital India Technology fund. "We will increase our development activity and staffing at the Intel India Development Center in Bangalore and pump in more money to support start-ups working on technologies compatible with our direction," Intel Corporation chairman Craig Barrett said in New Delhi on Monday. Barrett was reportedly candid when he said his talks with the GOI on setting up a fab in

India had not yet broken down and were in a nascent stage. "But if it happens ever, it will be an Intel facility as is elsewhere in the world and not as part of a consortium," he said. Intel also plans to ramp up the education initiatives like the Intel Teach and the Future program where it has already invested USD700 million so far. Over the next three years, an additional 500,000 teachers will be trained, doubling the number of teachers that have completed the program over the past five years.

--BILL GATES IN INDIA TO DISCUSS IT COOPERATION

13. Microsoft chief Bill Gates began his four-day India visit Tuesday with an early morning meeting here with Communications and IT Minister Dayanidhi Maran at his residence. During the 20-minute meeting, the minister and the world's richest man discussed progress on the various areas of cooperation identified during Maran's visit to Seattle in September this year. On his fourth visit to India, Gates, who is accompanied by wife Melinda, will be reviewing the progress of his USD200 million HIV/AIDS initiative in the country and also meet key Microsoft clients and senior officials. The Bill and Melinda Gates Foundation has announced a grant of USD24.3 million for preventing infant mortality in India. India has an infant mortality rate of 63 per 1,000. The funds would be released to the Health Ministry, which will then involve NGOs and grassroots organizations to ramp-up its newborn and maternal health programs. Bill Gates will attend the international conference of Global Alliance for Vaccine and Immunization, which will be inaugurated by Prime Minister Manmohan Singh

in New Delhi on December 7.

--MUMBAI, DELHI AIRPORTS MODERNIZATION DECISION DEFERRED

14. The Empowered group of ministers (EGoM) headed by Defense Minister Pranab Mukherjee on Monday deferred its decision on awarding the contracts for the Delhi, Mumbai airport modernization project. Instead, the EGOM has now referred the matter back to the inter ministerial group (IMG) and has asked them to give a "final report in two weeks' time." Briefing reporters after a two-hour meeting, Civil Aviation Minister Praful Patel said the IMG report on award of contracts was "inconclusive" and therefore had asked the IMG to come back to the EGoM with a conclusive report for the members of the EGoM to thereafter take a decision on the matter. The EGoM was expected to open the financial bids and award the contracts for both Mumbai and Delhi airports. The minister quashed rumors of possible re-bids for the airport modernization contracts. He said "there was no question of this," and that there would be no re-bidding for the two airports. Some of the bidders did not "qualify" through the technical evaluation phase leaving the government with limited choice of bidders. While denying that Monday's decision had anything to do with opposition from the Left Parties, the minister said the government would not miss the December 31 deadline for the award of contracts.

--VENEZUELA OFFERS CHEAP OIL, BUT CONDITIONS APPLY

15. Venezuela has offered crude oil to India at a discount, in exchange for technology transfers and investments by the latter in high-technology sectors including information technology. While assuring Indian Ambassador Deepak Bhojwani of Venezuela's commitment to supply oil to India,

President Hugo Rafael Chavez said the crude could be available at a 30 percent discount if oil prices remained at USD50 a barrel or more. But he said India would have to repay this discount through know-how transfer and investments in medicines, food processing, software, and other areas of technological competence, quoted the Ministry of External Affairs. Venezuela's Minister of Energy and Petroleum Rafael Ramirez, also present at the meeting, said Venezuela could sell India as much as 50,000 barrels per day of crude by next year. During his visit to India in March, Chavez had urged the Indian knowledge industry to build human resource and technologies in his oil-rich country. He said his first priority was to collaborate in information and communication technologies and biotechnology to develop

medicines.
Mulford

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